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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2022/2023 (TERM ID 2210)

TFA2141 – FINANCIAL ACCOUNTING FOR MANAGERS
(All Sections/Groups)

13 FEBRUARY 2023
2.30 p.m. - 4.30 p.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 6 pages excluding cover page with 4 Questions only.
2. Attempt ALL questions. All questions carry equal marks and distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

QUESTION 1**Part A**

Great BizTech sells computers, laptops, and their accessories to customers. The business is owned by Encik Zul. In the month of July 2022, the business has the following transactions:

July	Transactions
1	Encik Zul contributed RM60,000 cash into the business.
3	The business opened a current account with a bank and deposited RM40,000 cash into the bank account.
4	Bought graphic cards from Ozon Supply on credit, RM4,000.
7	Purchased display cabinets with a total cost RM5,000 from Maju Furniture on credit.
10	Sold laptops to customers in cash RM7,000.
12	The business bought new laptops RM4,000 from Global Tech Sdn. Bhd. En Zul paid RM1,000 by cash and the rest would be on credit.
17	Paid all the amount owing to Maju Furniture by cash, receiving RM200 cash discount.
19	Encik Zul withdrew RM300 cash from the business for personal use.
22	Paid utilities expenses by cash RM400.
23	Sold sound card through an online platform. RM1,000 has been transferred to the business current account.
27	Paid monthly salary to employee RM2,000 in cash.

Required:

- Prepare journal entries to record the above transactions. (12 marks)
- Prepare cash account for the month of July 2022. You are required to balance off the account. (5 marks)

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Part B

Mewah Sdn. Bhd. uses the *perpetual method* of accounting for its inventory transactions. Mewah Sdn Bhd only carries one brand and size of bracelet. Each batch of bracelet purchased is carefully coded and marked with its purchase cost. At the beginning of July 2022, Mewah Sdn.Bhd had in *beginning inventory 150 bracelets with a unit cost of RM310*. During July 2022, the business made the following purchases of bracelets.

12 July 2022: Purchased 200 bracelets at a cost of RM350 each.

24 July 2022: Purchased 330 bracelets at a cost of RM375 each.

Apart from that, 180 bracelets were sold on 13 July and 200 bracelets were sold on 25 July.

Required:

- a) Prepare a schedule to calculate the cost assigned to ending inventory and cost of goods sold of bracelets under perpetual inventory system using FIFO cost flow assumption. (7.5 marks)
- b) How many bracelets the company have at the end of July 2022? (0.5 mark)

(Total: 25 marks)

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QUESTION 2

Below are the balances extracted from the general ledger of Purnama Trading as at 31 December 2021.

Details	Debit (RM)	Credit (RM)
Sales		250,000
Purchases	128,900	
Drawings	7,400	
Salaries and wages	70,300	
Insurance expenses	3,000	
Interest expenses	1,700	
General expenses	2,800	
Advertising expenses	14,000	
Return Inwards	4,100	
Return Outwards		500
Commission received		600
Accounts receivables	12,840	
Accounts payables		15,500
Cash	900	
Bank	9,000	
Inventory as at 1 January 2021	26,500	
Motor Vehicles	14,000	
Accumulated depreciation: Motor vehicle		5,600
Land	150,000	
Goodwill	60,000	
Long term loan		34,000
Capital		199,240
TOTAL	505,440	505,440

Additional information:

1. Inventory as at 31 December 2021 was RM30,000.
2. Insurance prepaid as at 31 December 2021 was RM1,500.
3. Salaries and wages accrued as at 31 December 2021 was RM500.
4. Depreciation of motor vehicle is provided at 20% per annum using straight line method.

Required:

- a) Prepare the income statement for the year ended 31 December 2021. (12 marks)
- b) Prepare the statement of financial position as at 31 December 2021. (13 marks)

(Total: 25 marks)

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QUESTION 3

The following financial statements were provided by Great Technology Berhad:

Statements of Financial Position as at 31 December 2020 and 2021

	2021 (RM)	2020 (RM)
<u>Assets:</u>		
Non-Current Assets	720,000	890,000
Closing Inventory	300,000	400,000
Accounts Receivable	150,000	180,000
Cash and Bank	220,000	200,000
Total Assets	1,390,000	1,670,000
<u>Liabilities:</u>		
Non-current Liabilities	200,000	400,000
Current Liabilities	140,000	270,000
Total Liabilities	340,000	670,000
<u>Shareholders' Equity:</u>		
6% Preference Shares, RM100 par	100,000	100,000
Ordinary Shares, RM10 par	520,000	500,000
Retained Earnings	430,000	400,000
Total Shareholders' Equity	1,050,000	1,000,000
Total Liabilities and Shareholders' Equity	1,390,000	1,670,000

Income Statement for the year ending 31 December 2020 and 2021

	2021 (RM)	2020 (RM)
Net Sales	690,000	750,000
Cost of goods sold	(300,000)	(450,000)
Gross profit	390,000	300,000
Other Incomes	15,000	12,000
Total Expenses	(140,000)	(148,000)
Net profit	265,000	164,000

Additional Information:

- i) Total assets for year 2019 amounted to RM1,500,000.
- ii) Total closing inventory for year 2019 amounted to RM700,000.

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Required:

For each of the year, compute the following ratios:

- a) Acid test ratio (5 marks)
- b) Net profit as percentage of sales (5 marks)
- c) Return on assets (5 marks)
- d) Inventory turnover (5 marks)
- e) Debts to total assets ratio (5 marks)

(Show all the workings to support your answers)

(Total: 25 marks)

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QUESTION 4**Part A**

Purnama Sdn Bhd, has a balance of RM20,000 as per bank statement on 31 December 2021. Balance as per bank ledger in the cash book on 31 December 2021 was RM22,210. The information below pertains to cash, cheques and bank deposits.

1. Cheques of RM4,250 were deposited in the bank on 30 December 2021 but were recorded in the bank statement in January 2022.
2. A cheque of RM1000 issued on 31 December 2021 was not processed.
3. A dividend of RM500 on shares was credited to the bank account, but not recorded in the cash book.
4. A direct deposit of RM600 was made to the bank account by a customer, which was not recorded in the cash book.
5. Bank charges of RM60 were entered only in the bank statement.

Required:

- a) Prepare a bank reconciliation statement as at 31 December 2021. (8 marks)
- b) List any **FIVE** principles of Internal Control Activities. (5 marks)

Part B

Indicate each of the following items is either a cash inflow or outflow and in which section of the statement of cash flows it would be reported.

No.	Item	Inflow or Outflow	Section of the Statement of Cash Flows
a)	Payments to acquire investments in other entities		
b)	Receipts from issuing shares		
c)	Corporation tax paid		
d)	Receipts from sales of non-current assets		
e)	Payments to redeem the entity's shares		
f)	Payment of account payables		

(12 marks)

(Total: 25 marks)

End of Paper